



NEWS The United States Conference of Mayors

1620 Eye Street, N.W. • Washington, D.C. 20006
Phone (202) 293-7330 • Fax (202) 293-2352
E-mail: info@usmayors.org URL: usmayors.org

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Contact:
Elena Temple- Webb
202-286-1100 (etemple@usmayors.org)
Lina Garcia
202-341-6113 (lgarcia@usmayors.org)
Karen Hinton
703-798-3109 (Karen@hintoncommunications.com)

NO COLLECTION OF TAX ON INTERNET SALES MEANS BILLIONS LOST TO US CITIES

Washington, D.C. – The inability of cities and local jurisdictions to collect existing sales taxes on internet sales translates into billions in lost revenue, a report done by IHS Global Insight for The U.S. Conference of Mayors found. The report (at www.usmayors.org) specifically examines the federal Marketplace Fairness Act, which would allow state and local governments to enforce existing state and local sales and use tax laws on remote retailers so long as they simplify tax administration by adopting the Streamlined Sales and Use Tax Agreement.

Done in conjunction with the National League of Cities and the National Association of Counties, the report was released on Friday, June 21st in Las Vegas at the 81st Annual Meeting of The United States Conference of Mayors where almost 200 mayors are gathered for a four-day session led by Conference President Philadelphia (PA) Mayor Michael Nutter and host Las Vegas (NV) Mayor Carolyn Goodman.

Of the legislation, USCM President Philadelphia Mayor Michael A. Nutter said, "We are encouraged that the Senate found a bipartisan way to pass the Marketplace Fairness Act. Now we need the House to move this important legislation. Passage of this measure would be a victory for basic common sense and bipartisanship and a win for local governments and for businesses everywhere.

"This legislation finally levels the playing field by requiring all merchants, whether they sell over the counter on Main Street or over the Internet, to collect the same taxes. With federal funds to local governments dwindling and few other sources available to municipal leaders for raising revenue, this measure will provide a badly needed funding stream so we can better serve our residents -- from fixing crumbling roads and bridges to funding schools and first responders to maintaining and upgrading water systems. And during these tough economic times, the Marketplace Fairness Act will give a fundamental boost to metropolitan economies by helping to stimulate growth and create jobs."

The report provides estimates of the sales tax revenue losses for E-commerce in 2011, 2012, and 2013 across select US cities and counties in the absence of the Act. The report's estimates do not cover non-E-commerce remote sales from such sources as catalogues, etc.

Key findings of the report follow:

- Over 225 billion in E-commerce transactions were recorded in the US in 2011. Collectively, state and local governments experienced a direct loss of revenues due to uncollected taxes on E-commerce of nearly \$12 billion in 2011, rising to almost \$14 billion by 2013.
- The counties and cities tabulated in this report suffered a loss of nearly \$1.3 billion in 2011, \$1.5 billion in 2012, and a projected \$1.7 billion in 2013. The three year total of losses for these counties and cities is estimated at \$4.5 billion.
- Among cities, New York City experienced the greatest loss in 2012 of over \$205 million. Phoenix and Chicago followed with losses of \$18 million and \$17 million respectively. These are forecast to rise to \$235 million for New York, over \$20 million for Phoenix, and over \$19 million for Chicago in 2013.
- Eleven cities are projected to lose over \$10 million each in 2013 (see Chart, p. 3).

- Over the three-year period, these eleven cities will lose a cumulative total of \$974 million.
- Among counties, Los Angeles, and Cook County experienced the greatest losses at over \$70 million and \$42 million in 2011. King County, WA, followed with a loss of \$30 million; Westchester County, NY, lost nearly \$26 million.
- In 2013 Los Angeles County is forecast to lose over \$95 million; Cook County, over \$55 million; King County, over \$41 million; and Westchester County, over \$35 million. Collectively, these four counties alone are projected to lose over \$227 million in 2013.
- In ten counties, the cumulative three-year 2011-13 revenue loss is \$881,670 (see p.4).

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U.S. Metro Economies

May 2013

Impact of “Marketplace Fairness” on Select Jurisdictions – UPDATE

Prepared for:

**The National Association
of Counties**

The National League of Cities

**The United States
Conference of Mayors**

Prepared by:



**GLOBAL
INSIGHT**





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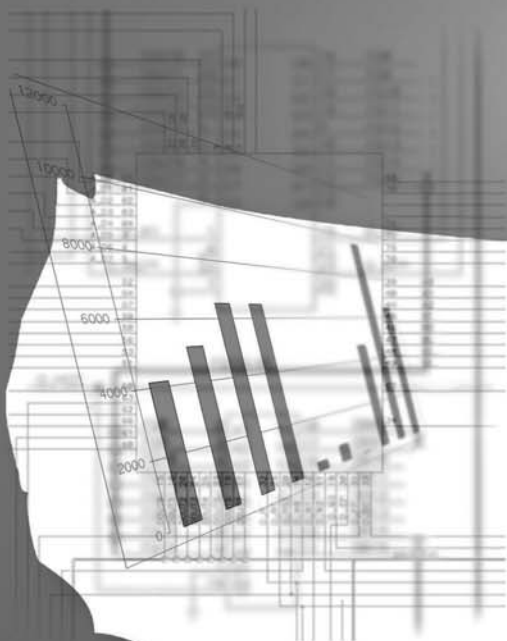
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SALES TAXATION AND ELECTRONIC COMMERCE

State and local governments across the US rely extensively on sales taxation as a key source of revenue to fund essential government functions. The sales tax is normally very simple to administer, requiring that vendors located within a locality charge buyers the required percent of the purchase price and remit the proceeds to the taxing jurisdiction. Enforcement by the local government authorities is simplified by the physical presence of the vendor. However, the very rapid growth in recent decades of online, Internet, sales poses new enforcement challenges and difficulties, and has contributed to an erosion of the sales tax base across cities and counties.

States and local governments have long had difficulties collecting sales taxes due from out-of-state sellers. These purchases from remote sellers were previously predominated by mail-order sales, but the growth of the Internet and ease of online remote sales has accelerated the rate of sales tax revenue losses. Moreover, the US Supreme Court held, in *Quill Corp. v. North Dakota* (1992), that a seller must have physical presence in a state in order for that state to require the seller to collect sales and use taxes.

THE MARKETPLACE FAIRNESS ACT

The Marketplace Fairness Act would allow state and local governments to enforce existing state and local sales and use tax laws on remote retailers so long as they simplify tax administration by adopting the Streamlined Sales and Use Tax Agreement (an agreement among twenty-four state governments which standardizes and simplifies administration across jurisdictions) or alternative minimum simplification requirements. It would also exempt small (less than \$1 million in nationwide sales) remote sellers.

The purpose of this research is to provide estimates of the sales tax revenue losses for E-commerce in 2011, 2012, and 2013, across US cities and counties in the absence of this Act. These estimates are presented in the accompanying tables.

METHODOLOGY

The research relies heavily on the excellent, much-cited work in 2009, "State and Local Government Sales Tax Revenue Losses from Electronic Commerce", by Donald Bruce, William F. Fox, and LeAnn Luna, at the University of Tennessee. They made an extensive survey of state tax bases and surveyed state tax enforcement officials across the country, to develop estimates of losses at the state level. They concluded that total revenue losses from uncollected sales taxes on E-commerce across the US totaled \$7.2 billion in 2007.

We extend their analysis to cities and counties, compiling sales tax rates across jurisdictions, IHS estimates of E-commerce growth through 2013, and IHS retail sales projections across US metros through 2013.

RESULTS

County and city sales tax receipts, normally collected at the point of purchase, provide funding for local services and are often designated for local improvement projects. The growth of E-commerce and remote sales has allowed for a lack of compliance with both state and local tax policy and further erodes the ability for local jurisdictions to collect on the primary drivers of sales tax revenue: population, income, and discretionary spending. As such, our analysis focuses on the monetary significance of local tax revenues lost to E-commerce and internet sales in the largest metropolitan areas across the United States.

Over \$225 Billion in E-commerce transactions were recorded by Census in the United States in 2011. The results of our analysis show that, collectively, state and local governments in the United States experienced a direct loss of revenues due to uncollected taxes on E-commerce of nearly \$12 Billion in 2011, rising to almost \$14 Billion by 2013. The counties and cities tabulated here suffered a loss of nearly \$1.3 Billion in 2011, \$1.5 Billion in 2012, and a projected \$1.7 Billion in 2013. The three year total of losses for these counties and cities is estimated at \$4.5 Billion.

Each county and city included in the analysis levies a tax rate between 0.1% and approximately 6% on top of state taxes. Due to the difficulty in

collecting from out of state retailers, taxes on these remote sales are rarely collected even when directly addressed by the local tax code. Lost revenues are calculated by determining the share of E-commerce originating from a given county or city and applying the appropriate local tax rate. While it is not uncommon for local jurisdictions to provide exemptions on some goods and services, purchases made through on-line transactions would not typically fall into exempt categories.

Among cities, New York City experienced the greatest loss in 2012 over \$200 Million. Phoenix and Chicago followed with losses of \$18 Million and \$17 Million respectively. These losses are forecast to \$235 Million for New York and to over \$20 Million for Phoenix. Ten other cities are projected to lose over \$10 million each in 2013.

Top Eleven U.S. Cities - E-Commerce Tax Revenue Losses by Year					
(\$000s)					
City	State	2011	2012	2013	Cumulative Total
New York	New York	179,401	205,730	235,072	620,203
Phoenix	Arizona	15,200	17,790	20,587	53,577
Chicago	Illinois	14,536	16,859	19,236	50,630
Dallas	Texas	9,507	11,177	12,919	33,603
Philadelphia	Pennsylvania	9,425	10,950	12,517	32,891
Oklahoma City	Oklahoma	9,290	10,873	12,499	32,662
Memphis	Tennessee	9,283	10,860	12,442	32,585
Nashville	Tennessee	8,628	10,094	11,564	30,285
Los Angeles	California	8,584	10,022	11,481	30,087
Houston	Texas	8,429	9,909	11,453	29,790
Denver	Colorado	7,852	9,187	10,577	27,617
Total		280,134	323,450	370,347	973,931

Source: IHS Global Inc.

Among counties, Los Angeles, CA and Cook County, IL experienced the greatest losses at over \$70 Million and \$42 Million respectively. In 2012, the city of Chicago was unable to collect over \$14 Million due to remote sales. Yet, this number represents only 26% of the total MSA losses recorded in the surrounding counties.

Comal County, Texas, part of the San Antonio metro, experienced the least amount of losses of any county recorded in our study at \$6,000; however, this number is forecasted to grow by nearly 15% by 2013.

Top Ten U.S. Counties - E-Commerce Tax Revenue Losses by Year						
(\$000s)						
State	Metropolitan Statistical Area	County	2011	2012	2013	Cumulative Total
California	Los Angeles	Los Angeles	70,807	82,473	95,265	248,545
Illinois	Chicago	Cook	42,002	48,523	55,547	146,071
Washington	Seattle	King	30,037	35,610	41,582	107,229
New York	New York	Westchester	25,997	30,210	35,213	91,419
Georgia	Atlanta	Fulton	23,623	27,416	31,559	82,598
Louisiana	Baton Rouge	East Baton Rouge	21,038	23,686	26,974	71,698
Arizona	Phoenix	Maricopa	19,639	23,010	26,896	69,544
Louisiana	New Orleans	Orleans	18,206	21,181	25,180	64,566
Louisiana	New Orleans	Jefferson	17,179	19,339	21,785	58,304
New York	Buffalo	Erie	16,043	18,348	21,091	55,482
Total			251,349	292,108	338,213	881,670

The full study results are organized by state in the following tables. For cities the results are organized by state. Study results for counties are organized by descending geographic region. To find a particular county or city, first locate the state in which the local jurisdiction resides. Listed under each state are the Metropolitan Statistical Areas (MSAs), entities defined by the Office of Management and Budget for collecting, tabulating and publishing federal statistics. County-level data is found under the corresponding MSA. For example, when researching data for Dakota County in Minneapolis, one must first scroll to the Minnesota section and precede one geographic level down to the Minneapolis MSA. Dakota County data will be located under the state and MSA sub-headings. It should be noted: counties in MSAs that cross state lines can be found under the state in which they are located.

REVENUE LOSSES FROM E-COMMERCE - CITIES

State	City	Tax Revenue Loss (\$000s)			Total
		2011	2012	2013	
Alabama	Birmingham	3,397	3,937	4,516	11,850
	Decatur	648	751	862	2,261
	Dothan	762	884	1,014	2,660
	Huntsville	2,522	2,923	3,353	8,799
	Montgomery	2,305	2,672	3,065	8,042
Arkansas	Fayetteville	574	669	768	2,012
	Ft. Smith	673	784	900	2,357
	Hot Springs	275	320	367	962
	Jonesboro	394	459	526	1,379
	Little Rock	755	880	1,010	2,646
	Pine Bluff	311	363	416	1,090
	Rogers	437	509	584	1,530
	Chandler	1,967	2,302	2,664	6,932
Arizona	Gilbert	1,736	2,032	2,351	6,120
	Mesa	4,149	4,857	5,620	14,626
	Phoenix	15,200	17,790	20,587	53,577
	Prescott	421	493	570	1,484
	Scottsdale	1,959	2,292	2,653	6,904
	Tucson	5,587	6,540	7,568	19,695
California	Culver City	90	105	121	317
	Davis	181	211	242	634
	Inglewood	255	297	341	893
	Long Beach	1,046	1,221	1,399	3,667
	Los Angeles	8,584	10,022	11,481	30,087
	Merced	218	254	291	763
	Oxnard	546	637	730	1,913
	Palm Springs	218	255	292	766
	Porterville	141	164	188	493
	Sacramento	1,211	1,414	1,620	4,245
	Salinas	415	484	555	1,455
	San Bernardino	281	328	376	984
	San Luis Obispo	117	137	157	411
	San Mateo	119	139	159	418
	San Rafael	142	165	189	496
	Santa Cruz	156	182	208	546
	Santa Monica	208	243	279	731
	Santa Rosa	423	494	566	1,483
	Stockton	358	418	478	1,253
	Tracy	215	251	288	755
	Vacaville	473	552	633	1,658
	Vallejo	593	693	794	2,079
	Visalia	166	194	223	583
	Vista	244	284	326	854
	Watsonville	68	80	92	240
	West Sacramento	134	157	180	471
Colorado	Aurora	4,515	5,282	6,081	15,878
	Colorado Springs	4,710	5,511	6,345	16,567
	Colorado Springs	4,220	4,938	5,685	14,843
	Denver	7,852	9,187	10,577	27,617
	Fort Collins	2,263	2,647	3,048	7,958
	Grand Junction	632	739	851	2,221

REVENUE LOSSES FROM E-COMMERCE - CITIES

State	City	Tax Revenue Loss (\$000s)			
		2011	2012	2013	Total
	Pueblo	1,512	1,770	2,037	5,319
Florida	Tallahassee	477	553	637	1,666
Georgia	Atlanta	2,175	2,534	2,913	7,622
Hawaii	Honolulu	1,526	1,787	2,058	5,371
Illinois	Chicago	14,536	16,859	19,236	50,630
Kansas	Kansas City	2,130	2,458	2,805	7,393
Minnesota	Duluth	440	514	588	1,542
	Minneapolis	1,042	1,218	1,395	3,655
	Rochester	291	340	389	1,020
	St. Cloud	179	210	240	629
	St. Paul	1,107	1,295	1,482	3,884
Missouri	Kansas City	4,435	5,142	5,886	15,463
	St. Louis	1,846	2,140	2,449	6,435
North Dakota	Bismark	450	549	639	1,639
	Fargo	724	883	1,028	2,634
	Grand Forks	340	414	482	1,236
Nebraska	Lincoln	1,770	2,058	2,325	6,154
	Omaha	2,801	3,258	3,681	9,740
New Mexico	Albuquerque	3,959	4,599	5,264	13,822
	Santa Fe	703	816	934	2,453
New York	New York City	179,401	205,730	235,072	620,203
	Yonkers	2,805	3,216	3,675	9,696
Oklahoma	Oklahoma City	9,290	10,873	12,499	32,662
	Tulsa	4,092	4,789	5,506	14,387
Pennsylvania	Philadelphia	9,425	10,950	12,517	32,891
Tennessee	Chattanooga	2,411	2,820	3,231	8,461
	Cleveland	724	847	971	2,542
	Knoxville	2,567	3,003	3,440	9,010
	Memphis	9,283	10,860	12,442	32,585
	Nashville	8,628	10,094	11,564	30,285
Texas	Arlington	2,648	3,113	3,598	9,358
	Austin	3,173	3,730	4,312	11,215
	Corpus Christi	1,685	1,981	2,289	5,955
	Dallas	9,507	11,177	12,919	33,603
	El Paso	2,606	3,064	3,541	9,211
	Fort Worth	2,976	3,498	4,044	10,517
	Garland	911	1,071	1,238	3,219
	Houston	8,429	9,909	11,453	29,790
	Irving	868	1,021	1,180	3,069
	Laredo	1,185	1,393	1,610	4,188
	Lubbock	1,382	1,625	1,879	4,886
	Plano	1,043	1,226	1,418	3,687
	San Antonio	6,087	7,156	8,272	21,516
Utah	Logan	205	242	281	728
	Ogden	353	416	482	1,252
	Orem	376	444	514	1,335
	Provo	462	545	631	1,638
	Salt Lake City	766	903	1,046	2,714
Virginia	Lynchburg	350	406	466	1,222
	Norfolk	1,124	1,304	1,498	3,926
	Richmond	788	914	1,050	2,751

REVENUE LOSSES FROM E-COMMERCE - CITIES

State	City	Tax Revenue Loss (\$000s)			
		2011	2012	2013	Total
	Roanoke	449	521	599	1,569
	Virginia Beach	2,027	2,352	2,702	7,081
Vermont	Burlington	259	302	346	907
Washington	Bellevue	1,421	1,672	1,925	5,017
	Bremerton	339	399	459	1,196
	Everett	1,112	1,308	1,506	3,926
	Longview	253	297	342	892
	Olympia	447	526	623	1,595
	Pullman	183	215	247	645
	Puyallup	420	494	569	1,483
	Seattle	707	831	958	2,496
	Spokane	1,195	1,406	1,619	4,220
	Tacoma	2,304	2,710	3,121	8,135
	Yakima	694	817	941	2,452
West Virginia	Huntington	253	295	336	884
Wyoming	Casper	509	592	678	1,779
	Cheyenne	912	1,061	1,214	3,187
		416,342	482,660	553,477	1,452,479

REVENUE LOSSES FROM E-COMMERCE - COUNTIES

State	MSA	County	Tax Revenue Loss (\$000s)				
			2011	2012	2013	Total	
Alabama	Birmingham	Bibb	256	295	341	892	
		Blount	488	570	665	1,722	
		Chilton	236	276	321	834	
		Jefferson	8,782	10,039	11,457	30,278	
		St. Clair	827	979	1,155	2,960	
		Shelby	1,613	1,926	2,291	5,831	
		Walker	700	804	919	2,423	
	Huntsville	Limstone	865	1,015	1,197	3,078	
Madison		1,445	1,653	1,918	5,016		
Arkansas	Memphis	Crittenden	387	447	513	1,347	
	Little Rock	Faulkner	306	364	432	1,101	
		Grant	103	119	139	361	
		Lonoke	334	392	461	1,187	
		Perry	100	116	134	350	
	Pulaski	2,526	2,880	3,286	8,692		
Arizona	Phoenix	Maricopa	19,639	23,010	26,896	69,544	
		Pinal	1,802	2,168	2,642	6,611	
	Tucson	Pima	3,437	3,982	4,621	12,040	
California	Los Angeles	Los Angeles	70,807	82,473	95,265	248,545	
	San Francisco	Marin	1,987	2,350	2,752	7,089	
		San Francisco	8,433	9,933	11,541	29,907	
		San Mateo	6,025	7,127	8,315	21,467	
	San Jose	Santa Clara	14,422	17,076	19,734	51,232	
	San Diego	San Diego	9,192	10,751	12,498	32,441	
	Riverside	Riverside	4,180	4,946	5,821	14,946	
		San Bernardino	3,886	4,520	5,212	13,618	
		Sacramento	Sacramento	3,403	3,957	4,577	11,937
	Fresno	Fresno	2,628	3,083	3,573	9,284	
	Colorado	Denver	Adams	2,239	2,612	3,029	7,881
			Arapahoe	1,615	1,897	2,207	5,719
Clear Creek			91	105	121	316	
Denver			5,576	6,440	7,380	19,396	
Douglas			3,621	4,398	5,314	13,334	
Elbert			193	230	269	692	
Jefferson			5,903	6,800	7,796	20,499	
Park			103	122	142	366	
Colorado Springs		El Paso	5,298	6,128	7,066	18,492	
		Teller	175	204	238	617	
Florida	Miami	Miami-Dade	12,662	14,696	17,000	44,358	
	Tampa	Hernando	375	437	512	1,324	
		Hillsborough	6,329	7,406	8,656	22,391	
		Pasco	1,950	2,273	2,656	6,879	
		Pinellas	5,203	6,020	6,933	18,156	
	Orlando	Lake	1,345	1,584	1,864	4,793	
		Orange	2,952	3,425	3,993	10,369	
		Osceola	981	1,162	1,378	3,522	
		Jacksonville	Baker	92	106	123	321
	Clay		867	1,021	1,205	3,092	
	Duval		4,638	5,309	6,108	16,056	
	Nassau		437	517	609	1,564	

REVENUE LOSSES FROM E-COMMERCE - COUNTIES						
State	MSA	County	Tax Revenue Loss (\$000s)			
			2011	2012	2013	Total
	North Port-Bradenton-Sarasota	Manatee	938	1,092	1,275	3,306
		Sarasota	2,726	3,160	3,653	9,538
Georgia	Atlanta	Barrow	937	1,094	1,273	3,304
		Bartlow	1,243	1,446	1,677	4,366
		Butts	277	324	375	975
		Carroll	1,407	1,616	1,857	4,880
		Cherokee	2,749	3,289	3,900	9,938
		Clayton	2,915	3,229	3,638	9,782
		Cobb	10,759	12,571	14,531	37,861
		Coweta	1,951	2,316	2,727	6,994
		Dawson	343	417	497	1,257
		De Kalb	12,407	14,294	16,374	43,075
		Douglas	1,739	2,029	2,366	6,134
		Fayette	1,675	1,981	2,329	5,985
		Forsyth	3,273	4,068	4,981	12,321
		Fulton	23,623	27,416	31,559	82,598
		Gwinnett	9,292	11,083	13,136	33,510
		Haralson	366	422	482	1,270
		Heard	133	152	174	458
		Henry	2,826	3,420	4,114	10,360
		Jasper	183	215	249	648
		Lamar	218	253	291	761
		Meriwether	262	300	340	901
		Newton	1,145	1,340	1,572	4,056
		Paulding	2,255	2,694	3,203	8,152
		Pickens	477	557	646	1,680
		Pike	194	227	264	685
		Rockdale	1,247	1,452	1,679	4,378
		Spalding	800	916	1,044	2,760
		Walton	1,262	1,478	1,719	4,459
	Chattanooga	Catoosa	841	989	1,148	2,978
		Dade	201	234	268	703
		Walker	829	960	1,104	2,893
Hawaii	Honolulu	Honolulu	4,707	5,473	6,321	16,501
Iowa	Ohmaha	Harrison	59	69	78	206
		Mills	67	79	90	235
		Pottawattamie	349	408	464	1,221
	Des Moines	Guthrie	42	47	53	142
		Madison	58	67	76	201
Illinois	Chicago	Cook	42,002	48,523	55,547	146,071
		Du Page	5,530	6,505	7,572	19,606
		Kane	1,609	1,884	2,205	5,699
		Kendall	460	558	678	1,696
		Mchenry	1,047	1,221	1,423	3,690
		Will	2,397	2,822	3,319	8,538
	St. Louis	Jersey	71	82	94	246
		Madison	420	480	546	1,446
		Monroe	44	52	61	157
		St. Clair	984	1,139	1,315	3,438
Kansas	Kansas City	Franklin	198	223	254	675

REVENUE LOSSES FROM E-COMMERCE - COUNTIES

State	MSA	County	Tax Revenue Loss (\$000s)			
			2011	2012	2013	Total
Kansas	Wichita	Johnson	5,721	6,717	7,839	20,277
		Leavenworth	427	501	585	1,513
		Miami	256	294	339	889
		Wyandotte	689	779	880	2,348
		Butler	106	123	141	370
		Harvey	354	406	461	1,221
		Sedgwick	3,003	3,494	4,020	10,517
		Sumner	76	87	98	261
		Jefferson	17,179	19,339	21,785	58,304
		Orleans	18,206	21,181	25,180	64,566
		Plaquemines	982	1,147	1,268	3,397
		St. Bernard	1,664	1,898	2,241	5,803
		St. Charles	2,235	2,527	2,882	7,645
		St. John the Baptist	1,887	2,174	2,499	6,560
		St. Tammany	12,920	14,899	16,920	44,740
Louisiana	New Orleans	Ascension	5,055	6,055	7,171	18,282
		East Baton Rouge	21,038	23,686	26,974	71,698
		East Feliciana	795	911	1,035	2,741
		Iberville	1,281	1,449	1,610	4,340
		Livingston	4,519	5,339	6,267	16,125
		Pointe Coupee	854	989	1,131	2,975
		St. Helena	438	506	579	1,523
		West Baton Rouge	1,054	1,231	1,412	3,698
		West Feliciana	456	518	577	1,552
		Shreveport-Bossier City	4,911	5,767	6,725	17,403
		Caddo	9,562	10,783	12,272	32,617
		De Soto	908	1,074	1,246	3,228
		Lafayette	10,696	12,908	14,963	38,566
		St. Martin	1,619	1,880	2,165	5,664
		Dakota	588	691	802	2,081
Minnesota	Minneapolis	Hennepin	3,310	3,868	4,453	11,630
		Ramsey	735	847	967	2,549
		Washington	376	446	518	1,340
		Franklin	883	1,026	1,178	3,087
		Jefferson	2,129	2,481	2,859	7,469
Missouri	St. Louis	Lincoln	454	533	620	1,607
		St. Charles	81	95	110	286
		St. Louis	119	138	159	416
		Warren	279	326	379	984
		Washington	75	87	99	261
		Bates	88	102	116	307
		Caldwell	99	114	129	341
		Cass	866	1,017	1,184	3,068
		Clay	1,334	1,578	1,833	4,745
		Clinton	119	139	161	420
		Jackson	5,231	6,018	6,850	18,100
		Lafayette	285	329	377	992
		Platte	831	988	1,162	2,981
		Ray	182	211	241	634
		Anson	112	126	142	380
North Carolina	Charlotte	Cabarrus	1,115	1,307	1,524	3,945

REVENUE LOSSES FROM E-COMMERCE - COUNTIES						
State	MSA	County	Tax Revenue Loss (\$000s)			
			2011	2012	2013	Total
North Carolina		Gaston	1,189	1,372	1,567	4,128
		Mecklenburg	8,749	10,293	11,997	31,039
		Union	1,194	1,415	1,672	4,281
	Virginia Beach	Currituck	155	179	209	543
	Raleigh	Franklin	299	347	401	1,046
		Johnston	943	1,105	1,289	3,337
		Wake	6,511	7,702	9,047	23,260
		Chatham	473	551	647	1,671
	Durham	Durham	1,958	2,330	2,712	7,001
		Orange	1,116	1,289	1,500	3,906
		Person	185	212	245	642
	Greensboro	Guilford	3,079	3,626	4,200	10,905
		Randolph	752	874	1,005	2,632
		Rockingham	469	537	609	1,614
	Winston-Salem	Davie	251	295	342	888
		Forsyth	2,214	2,562	2,940	7,716
		Stokes	233	270	311	814
		Yadkin	201	234	269	703
New Mexico	Albuquerque	Bernalillo	5,895	6,719	7,701	20,315
		Sandoval	1,258	1,493	1,772	4,522
		Torrance	167	194	224	585
		Valencia	695	810	941	2,446
Nevada	Las Vegas	Clark	14,546	16,811	19,552	50,909
	Reno-Sparks	Storey	21	24	27	72
		Washoe	2,702	3,091	3,551	9,345
New York	Albany	Albany	5,602	6,336	7,248	19,186
		Rensselaer	2,427	2,790	3,210	8,427
		Saratoga	3,396	4,000	4,682	12,078
		Schenectady	2,581	2,955	3,391	8,926
		Schoharie	452	520	599	1,571
	Buffalo	Erie	16,043	18,348	21,091	55,482
		Niagara	2,950	3,393	3,903	10,246
	New York	Putnam	2,227	2,596	3,001	7,825
		Rockland	7,000	8,163	9,527	24,690
		Westchester	25,997	30,210	35,213	91,419
	Poughkeepsie	Dutchess	5,348	6,165	7,135	18,647
		Orange	6,005	6,946	8,027	20,979
	Rochester	Livingston	819	945	1,090	2,854
		Monroe	12,817	14,756	17,016	44,588
		Ontario	1,651	1,926	2,247	5,823
		Orleans	497	569	652	1,718
	Syracuse	Wayne	1,323	1,532	1,773	4,628
		Madison	977	1,142	1,329	3,448
		Onondaga	7,530	8,590	9,867	25,988
		Oswego	1,489	1,721	1,984	5,194
		Cuyahoga	10,127	11,671	13,347	35,145
Ohio	Cleveland	Geauga	451	530	618	1,599
		Lake	1,093	1,283	1,487	3,863
		Lorain	833	978	1,136	2,947
		Medina	682	811	953	2,446
		Cincinnati	184	216	250	650

REVENUE LOSSES FROM E-COMMERCE - COUNTIES						
State	MSA	County	Tax Revenue Loss (\$000s)			
			2011	2012	2013	Total
		Butler	1,033	1,214	1,404	3,650
		Clermont	707	838	982	2,527
		Hamilton	3,692	4,292	4,916	12,900
		Warren	891	1,070	1,272	3,233
	Columbus	Delaware	1,176	1,429	1,718	4,323
		Fairfield	477	555	639	1,672
		Franklin	5,435	6,345	7,323	19,103
		Licking	812	944	1,089	2,846
		Madison	169	196	225	589
		Morrow	137	159	182	478
		Pickaway	234	270	308	811
		Union	210	241	273	725
	Dayton	Greene	621	740	865	2,227
		Miami	433	505	583	1,521
		Montgomery	2,715	3,109	3,532	9,356
		Preble	179	208	239	625
	Akron	Portage	681	798	926	2,405
		Summit	2,182	2,527	2,901	7,610
	Toledo	Fulton	199	232	268	699
		Lucas	1,817	2,095	2,395	6,307
		Ottawa	189	220	254	663
		Wood	446	523	607	1,576
Oklahoma	Oklahoma City	Canadian	316	377	448	1,141
		Cleveland	473	561	663	1,697
		Grady	171	201	233	605
		Lincoln	271	314	361	946
		Logan	174	200	229	604
		Mcclain	148	176	207	531
Pennsylvania	Pittsburgh	Allegheny	4,951	5,760	6,628	17,339
South Carolina	Charlotte	York	797	930	1,087	2,814
	Columbia	Calhoun	52	60	69	182
		Fairfield	68	78	88	233
		Kershaw	213	246	284	743
		Lexington	981	1,166	1,370	3,517
		Richland	1,433	1,668	1,919	5,020
		Saluda	69	81	93	243
	Charleston	Berkeley	1,065	1,241	1,449	3,754
		Charleston	2,669	3,127	3,623	9,419
		Dorchester	463	545	643	1,651
	Greenville	Laurens	203	231	262	696
		Pickens	349	402	461	1,213
Tennessee	Nashville	Cannon	138	159	182	480
		Cheatham	488	564	646	1,698
		Davidson	11,805	13,656	15,630	41,091
		Dickson	173	200	230	603
		Hickman	359	429	502	1,290
		Macon	593	691	794	2,079
		Robertson	407	481	557	1,444
		Rutherford	852	996	1,143	2,990
		Smith	1,333	1,589	1,869	4,791
		Sumner	165	191	217	573

REVENUE LOSSES FROM E-COMMERCE - COUNTIES

State	MSA	County	Tax Revenue Loss (\$000s)			
			2011	2012	2013	Total
Alabama	Birmingham	Trousdale	2,344	2,744	3,179	8,267
		Williamson	393	457	525	1,375
		Wilson	267	315	365	947
	Memphis	Fayette	663	784	917	2,363
		Shelby	15,189	17,784	20,455	53,428
		Tipton	823	970	1,131	2,925
	Knoxville	Anderson	1,245	1,462	1,665	4,371
		Blount	1,491	1,755	2,033	5,279
		Knox	6,592	7,770	8,997	23,359
	Chattanooga	Loudon	57	66	75	199
		Union	2,175	2,532	2,915	7,622
		Hamilton	5,337	6,253	7,261	18,851
	Houston	Marion	410	477	553	1,440
		Sequatchie	176	206	241	623
		Austin	64	73	84	221
Texas	Houston	Brazoria	767	905	1,057	2,730
		Liberty	163	189	218	570
		San Jacinto	54	64	75	193
	Dallas	Delta	10	11	13	34
		Hunt	172	196	223	591
		Bastrop	135	157	183	475
	Austin	Caldwell	63	73	84	220
		Hays	332	398	474	1,204
		Atascosa	85	100	117	302
	San Antonio	Bandera	64	73	84	221
		Comal	6	7	9	22
		Guadalupe	317	373	430	1,120
	El Paso	Kendall	25	29	33	87
		Medina	76	87	99	261
		El Paso	1,519	1,796	2,096	5,411
Utah	Provo	Utah	3,544	4,187	4,914	12,645
	Salt Lake City	Salt Lake	10,971	12,919	14,995	38,885
		Summit	514	622	739	1,875
		Tooele	296	355	420	1,071
	Washington	Arlington	1,827	2,137	2,481	6,445
Virginia	Washington	Clarke	61	71	82	214
		Fauquier	361	425	499	1,285
		Loudoun	1,830	2,185	2,589	6,604
	Stafford	Stafford	574	678	798	2,051
		Warren	150	173	200	524
		Alexandria City	1,107	1,291	1,507	3,905
	Fairfax /City/Falls Church	Fairfax	7,907	9,162	10,649	27,718
		Prince William	2,171	2,576	3,055	7,802
		Spotsylvania	493	573	668	1,734
	Virginia Beach	Gloucester	147	172	198	517
		Isle of Wright	152	177	205	534
		Matthews	48	56	65	169
	Surry	Surry	26	31	35	92
		Chesapeake	37	43	49	129
		Hampton	155	177	201	533
	Newport News	Newport News	150	173	200	524

REVENUE LOSSES FROM E-COMMERCE - COUNTIES

State	MSA	County	Tax Revenue Loss (\$000s)			
			2011	2012	2013	Total
		Norfolk	67	78	90	235
		Portsmouth	89	103	118	311
		Suffolk	551	626	710	1,886
		Virginia Beach	633	728	830	2,191
		James City	115	132	151	398
		York	302	348	400	1,050
Washington	Seattle	King	30,037	35,610	41,582	107,229
		Snohomish	7,059	8,264	9,631	24,954
Wisconsin	Milwaukee	Milwaukee	2,256	2,593	2,961	7,810
		Ozaukee	313	370	431	1,113
		Washington	358	421	490	1,270
		Waukesha	236	278	322	836
	Madison	Columbia	119	136	156	411
		Dane	1,196	1,391	1,613	4,200
		Iowa	46	52	59	156
Wyoming	Casper	Natrona	784	916	1,056	2,756
	Cheyenne	Laramie	1,431	1,669	1,935	5,034
			881,671	1,026,198	1,187,914	3,095,783

National Association of Counties

25 Massachusetts Avenue NW,
Suite 500
Washington DC 20001
Tel: 202.393.6226
Fax: 202.393.2630
naco.org

National League of Cities

1301 Pennsylvania Avenue, NW
Suite 550
Washington DC 20004
Tel: 1.877.827.2385
nlc.org

The United States Conference of Mayors

1620 Eye Street, NW
Washington, DC 20006
Tel: 202.293.7330
Fax: 202.293.2352
usmayors.org

IHS Global Insight

Corporate Headquarters:

1000 Winter Street, Suite 4300N
Waltham, MA 02451-1241
Tel: 781-466-6611
Fax: 781-890-6187

North American Offices:

One Financial Place
1 Adelaide Street East
Suite 2505 P.O. Box 198
Toronto, Ontario, M5C 2V9 Canada
Tel: +1 (416) 360-8885
Fax: +1 (416) 360-0088

150 South Wacker Drive, Suite 780
Chicago, IL 60606
Tel: +1 (312) 236-6747
Fax: +1 (312) 236-5420

3290 W. Big Beaver, Suite 502
Troy, MI 48084
Tel: +1 (248) 614-0040
Fax: +1 (248) 614-0068

24 Hartwell Avenue
Lexington, MA 02421-3158
Tel: +1 (781) 863-5105
Fax: +1 (781) 860-6332

6033 W. Century Boulevard, Suite 850
Los Angeles, CA 90045
Tel: +1 (301) 670-7393
Fax: +1 (301) 670-4509

530 5th Avenue, 7th Floor
New York, NY 10036-5101
Tel: +1 (212) 884-9500
Fax: +1 (212) 884-9514

800 Baldwin Tower
Eddystone, PA 19022
Tel: +1 (610) 490-4000
Fax: +1 (610) 490-2770

1 Market Street, Spear Tower,
35th Floor
San Francisco, CA 94105
Tel: +1 (415) 293-8286
Fax: +1 (415) 293-7647

1850 M Street, NW,
11th Floor
Washington, DC 20036
Tel: +1 (202) 481-9300
Fax: +1 (202) 481-9301



**GLOBAL
INSIGHT**

Key Findings

- The Marketplace Fairness Act would allow state and local governments to enforce existing state and local sales and use tax laws on remote retailers so long as they simplify tax administration by adopting the Streamlined Sales and Use Tax Agreement.
- The report provides estimates of the sales tax revenue losses for E-commerce in 2011, 2012, and 2013 across select US cities and counties in the absence of the Act. (see the Report's Tables). The report's estimates do not cover non-E-commerce remote sales from such sources as catalogues, etc.
- Over \$225 billion in E-commerce transactions were recorded in the US in 2011. Collectively, state and local governments experienced a direct loss of revenues due to uncollected taxes on E-commerce of nearly \$12 billion in 2011, rising to almost \$14 billion by 2013.
- The counties and cities tabulated in this report suffered a loss of nearly \$1.3 billion in 2011, \$1.5 billion in 2012, and a projected \$1.7 billion in 2013. The three year total of losses for these counties and cities is estimated at \$4.5 billion.
- Among cities, New York City experienced the greatest loss in 2012 of over \$205 million. Phoenix and Chicago followed with losses of \$18 million and \$17 million respectively. These are forecast to rise to \$235 million for New York, over \$20 million for Phoenix, and over \$19 million for Chicago in 2013.
- Eleven cities are projected to lose over \$10 million each in 2013. (see Chart, p. 3).
- Over the three year period, these eleven cities will lose a cumulative total of \$974 million.
- Among counties, Los Angeles, and Cook County experienced the greatest losses at over \$70 million and \$42 million in 2011 respectively. King County, WA, followed with a loss of \$30 million; Westchester County, NY, lost nearly \$26 million.
- In 2013 Los Angeles County is forecast to lose over \$95 million; Cook County, over \$55 million; King County, over \$41 million; and Westchester County, over \$35 million. Collectively, these four counties alone are projected to lose over \$227 million in 2013.
- In ten counties, the cumulative three year (2011-13) revenue loss is \$881 million (see p.4).
- The report concludes that the very rapid growth of online, Internet sales has resulted in enforcement challenges, and has contributed to an erosion of the sales tax base across cities and counties.